Is it There? And, if so, What is it?

Three Steps:

Baseline

Monitoring Efforts

Audits

Management's Role

- Risk identification and quantification
- Implementation of internal controls or other risk reducing measures
  - Internal controls to reduce risk, e.g. treatment plan tickler file
  - Don't do it anymore – dismantle program
  - Give the responsibility over to someone else who can manage the risk better or is willing to take it on
- This is not QI or QA: do not mix these up
- Compliance looks and evaluates the results and effectiveness of management's efforts

Current business environment

- Stepped up efforts at federal level
- New direct relationship to Medicaid
- DMH: moving from is it there to what is there audits

Federal Focus: Fraud, Improper Payments, Quality of Care

- You cannot just look to see if a claim is "clean"
  - Conditions of participation
  - Quality of care
  - Medically necessary
  - Covered service
- You cannot keep money you shouldn't have – even small amounts are a focus
- Corporate relationships are important – contracts as well as implied relationships
- Employee relationships, loyalty and cooperation are critical
- Clients or families complaining about quality, services not provided but billed

Step I: Baseline Review of Medical Records – CEO's and CFO Roles

- Sample: 5 to 20 records
  - This is not an audit, it is a high level review
  - Make sure no one has access to them before they are pulled
  - Get a couple from each program at each site – make sure you are looking at enough doc records
  - Pick out a couple for each employee you believe may be a problem already
- This does not need to be fair!

Review of Medical Records

○ Structural Issues
- Sections/tabs: are they there and are docs in right places
- Face sheets
- Filing up to date
- Filing in date order
- Can you find things easily

Review of Medical Records

- General Qualitative Issues
  - Legibility
  - Documents all there? Releases? Intakes?
  - Could you find the ones you wanted?
  - Organized appropriately? Thinned?
  - Was the medical record room locked? Secured in some other way?
  - EMR's: appropriate security safeguards; internal audit functions; ease of use; etc.

Review of Medical Records

- Program Issues
  - Assessments: good clinical assessment and diagnosis – how current? Updates in any? Changes in LOC without an update?
  - Diagnosis matches tween MD and clinician?
  - Diagnosis and assessment proves eligibility for services? Medical necessity case made?
  - Treatment Plans: dates, signatures, content appropriate, services match, etc.

Review of Medical Records

○ Program Issues
  - Treatment Plans: individualized, change over time, enough meat? Progress Notes: include necessary content?
  - Progress Notes: relationship to treatment plan?
  - Do services documented match codes?
  - Do codes match billing for type of service and units of service?

Review of Medical Records

- Program Issues
  - How long in treatment? Does this make sense?
  - Transfers to lower levels of care tried?
  - Have they been referred for meds?
  - Are they compliant with current treatment?

- This is not an exhaustive list. But this should not be an exhaustive review of the records.
- State of the union: risk areas, training needs
- Acknowledgement that good records require work and attention

Step II: How could this Happen? Monitoring Shortfalls

- Monitoring:
  - Usually on-going and the responsibility of management
  - Detective controls within processes to route out those not complying
  - Monitoring is less structured than auditing, usually completed by operations (used by compliance), form of on-going checking and reporting
  - Tests the internal controls of the organization
  - Tools:
    - Reports
      - Incidents
      - Management
      - Internal control measurements
    - Hotlines

Types of Internal Controls

- Preventive: passwords, pre-hire investigations, access to internal systems after leaving organization, etc.

- Detective: investigational controls such as internal monitoring, exit interviews, etc.

- Directive: policies and procedures
  - Does compliance pass on policies and procedures re: adequacy of internal controls?

Monitoring Results

- Make sure your monitoring efforts are producing information, not data.
  - Problems are identified through:
    - trending outcomes, looking for change or changes in patterns
    - determining efficacy of process
  - Focus on high risk areas –do not overwhelm
- Compliance with management needs to validate the monitoring process
  - Is the information being produced reliable?
  - Can it be duplicated?

Step III: Auditing

Sawyer:

- ✓ Auditing is a systematic process of <u>objectively</u> obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the <u>degree of correspondence between these assertions and established criteria</u> and <u>communicating</u> the results to interested users.

- ✓ Designed to test internal controls

- ✓ Are processes achieving objectives

Audits

- Characteristics of an audit:
  - Formal review
  - Need authority to audit –access to all necessary documents
  - Independent
  - Structured approach
  - Formally communicated – report
  - More expensive than monitoring – should be reserved for high risk areas or areas where monitoring is not effective or cannot be validated.
  - Often the cost is worth it in reduced risk, identification of revenue opportunities, potential reduction in costs, e.g. unnecessarily redundant systems.

Audit Process: A beginning and End

- Process requires:
    - Planning: in writing, research regulations, laws for outcomes expected and to design tools
    - Scope of audit work: what looking at? Involvement of attorney?
    - Audit notification: gamut from "This is what I need" to surprise visits
    - Introductory meeting: scope of project; assistance needed
    - Internal controls/testing: policies and procedures review and testing; record reviews

Statistical vs. Non-statistical Samples: Purpose

Statistical sampling may be appropriate to audit related to:

- Potential errors related to computers/systems
- Potential overpayments or issues for large populations

  - *John C. Falcetano, CHC, CIA, HCCA Fraud and Abuse Conference, Sept 07*

Non-statistical sampling may be appropriate to audit related to:

- Potential errors that may be isolated in one area, i.e., departments, coders, etc.

Developing an Auditing and Monitoring Plan

- Work from your baseline and other government documents
  - Focus on high risk areas and then work down
  - Always consider the impact of new rules –both external and internal – on increased risk
- Don't over-spend your resources – longevity is the goal

What is enough?

- Assumptions: you must still run the business – operations will not shut down.
- You have limited resources.
- There is a sense of urgency.
- Do a baseline – good content to show any auditor about intent.
- Start small and be consistent.
- Follow-up on everything.
- Assume there will be some osmosis of the compliance activities in other programs.
- Use deterrence – the government does.
- Hope for an auditor like the one in Minnesota.

What is enough?

- Is it there?
- Covered service and medically necessary?
- All conditions of payment met?

Thank You!

○ Additional resources or questions:

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